FINANCIAL NEWS

Economy stalls hopes for turnaround at Uno

by Peter O. Keegan

BOSTON — Although menu and operational changes sliced Uno Corp.'s profits for the first quarter, the parent of Pizzeria Uno is wagering that the adjustments will bring a rebound in profits once the Northeastern economy turns around.

The company's hopes for greater profitability went unfulfilled in late 1991, reflecting the sluggish consumer spending that stalled an economic recovery for Pizzeria Uno's core markets. For the 12 weeks ended Dec. 29, Uno's net income decreased 14 percent, to $870,000, on a revenue increase of 18 percent, to $19.7 million.

Cost of sales increased year-over-year by 19 percent, to $4.4 million, while operating expenses rose 26 percent, to $10 million. The company cited higher food and labor costs resulting from the addition of several menu items, which Uno hopes will bring a payoff in the long run.

Although a tough economic climate continued to batter same-store sales during the most recent quarter, the three-month period ended with an upswing. According to chief financial officer Robert Brown, per-store sales rose .3 percent in December and continued to grow in January, holding the downturn for the whole quarter to 1 percent. Same-store sales for the last quarter of 1991 were down 2.2 percent.

"There has been a number of factors that have contributed to same-store sales weaknesses, but the most overriding factor is the severity of the recession in the Northeast," Brown said. "But we are making gradual, persistent progress."

The company's latest revenue enhancer, a retail division called Uno Foods Inc., saw retail sales jump a whopping 85 percent, to $720,000, for the quarter. The operation sells frozen pizzas to more than 200 supermarkets in the Northeast and is continuing to grow.

After five quarters of disappointing results, analysts believe that the company will rebound in 1992 along with the economy.

"They are slowly coming out of it," said Sam Talbot, an analyst with Boston-based Growth Stock Services. "They have to go up eventually, but they have to watch the menu and make sure they are stressing value."

Uno is attempting to improve perceived value and boost margins by adding additional Italian items to complement its signature deep-dish pizza.

Last September the company rolled out pasta dishes, flat pizzas called plizzettas and a new dessert menu. It's goal was to cut operational costs and push the per-person check up to $8.50. Brown said they are currently hovering around $8.35.

Brown said the company plans to add six new varieties of the plizzettas to expand the array to 12.

In another move, the company is changing the size of its Chicago-style deep-dish pizzas to 10 inches and 7 inches, from 9 inches and 6 inches, respectively. The value-enhancing step has already been taken in half of Uno's units, and the other stores will follow suit in the next few months, Brown said.

"They moved away from broad-based American fare — like salads, burgers, chicken and ribs," pointed out Dave Geraty, an analyst with Equitable Securities Corp.

Geraty added that the popularity of Italian fare and its low food costs make it a plus for the balance sheet. "The flip side to that is as they move into the highly competitive Northeast, they must be an outstanding leader in the Italian segment."

"The training and extra labor needed to implement the menu changes have added more complication to the back of the house," said Brown, who added that new stores and a new ad campaign also attributed to higher operational costs. "A lot of it is investment in the future, and we are seeing a gradual improvement."

Other changes that the company hopes will strengthen its balance sheet will be the opening of more company-owned stores, with eventually the 60-percent-franchised and 40-percent-company-owned figure becoming equally split.

Most analysts said they are looking for steady improvement this year. They noted that numbers will look better next year because of easier comparisons.

"We're looking for operating earnings to be up next quarter," said Geraty, who expects a 30-percent growth in sales and revenues for 1992.

The company has projected a 28-percent increase in revenues for 1992, to $91.2 million, on a 25-percent increase in systemwide sales, to $169 million. They have 10 new company-owned units and 10 franchised units slated to open this year.

The retail division took in $2 million in revenues in 1991 and is expected to grow to more than $3 million in 1992. Brown said the current production facilities will hit their capacity when revenues top $3.5 million. At that point the company will begin looking for alternate facilities.

FOOD PRICE OUTLOOK

January storms push up pork prices

by Patt Patterson

Pork prices rose in mid-January as heavy storms in the Midwest slowed hog slaughter. Many farmers were unable to ship hogs to market as the result of bad weather. Demand for red meats has been on the upswing since the holidays, and reduced supplies quickly lifted prices. There are more hogs on the farms than there were last year at this time, so as weather improves, release of the pent-up supply should push prices back down to their beginning-of-year levels.

Chilean fruit, which was subjected to heavy rains in early December and to a disastrous freeze last year, is arriving in good quality and at normal pricing. Reason: the growers down there had a large amount of new acreage coming into production this year, and that helped make up for losses which were as high as 30 percent for fruits in some areas. Red and ruby seedless grapes may be in tight supply in March and April, but most other fruits should be available in normal quantities and at usual prices.

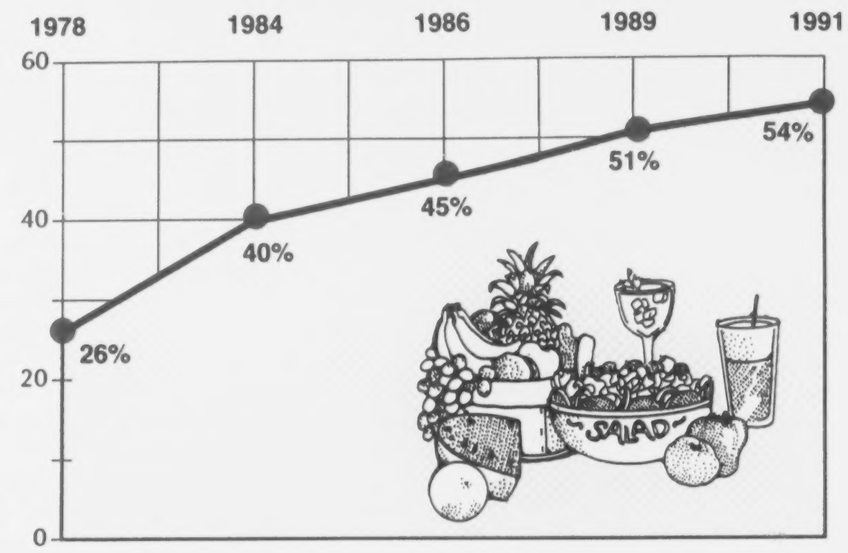
Free from freezes so far, Florida orange producers are predicting larger harvests than the U.S. Department of Agriculture posted in earlier forecasts. And frozen orange juice concentrate processors report higher yield. The danger period for freezes is nearly over, and if prolonged cold weather holds off this year, prices on concentrate and juice made from concentrate should ease by spring.

The California Iceberg Lettuce Commission is under attack by dissident shippers who want the commodity group abolished. A referendum is mandated every five years by state regulations. Most of the opposition is larger shippers who have brand identity programs of their own for which they would like to keep the money now paid as assessments to the commission, which runs promotions with a number of the industry's chains. Many smaller handlers want the group's generic lettuce promotions to continue, because they can't afford ad and promotion programs for themselves.

FACT FILE

Low calories, high popularity

(percentage of adults who consume low-calorie foods and beverages)



Source: Calorie Control Council, 1991 poll of 1,511 people

FINANCIAL DIGEST

Restaurant stocks keep soaring

NEW YORK — The NRN Stock Index set a record high for the second time in as many weeks, this time breaking the 300-point barrier to close the week of Jan. 10 at 309.85.

The rally was boosted by investors' hunger for small capitalized stocks and the continuing defection from interest-bearing investments. Those factors also lifted NASDAQ — the small-cap stock exchange where most restaurant securities are traded — to record highs the first two weeks of the new year.

Restaurant stocks that soared during the week were Family Steak Houses, up 50 percent, to $1.13; Koo Koo Roo, up 30 percent, to $3.25; Uno Restaurants, up 20 percent, to $13.38; and TCBY, up 20 percent, to $6.75.

TCBY's profits fall 60% in F 91

LITTLE ROCK, Ark. — TCBY said its net income fell 60 percent in its fiscal year ended Nov. 30, to $8 million, while revenues declined 14 percent, to $128.9 million.

The company said the drop in revenues was due to a decline in sales and franchising revenues, both of which were linked to a decrease in new store development. Equipment sales and franchisee fees declined $20.6 million from the year-ago level.

TCBY said its results were also affected by a $5.2 million increase in selling and general and administrative expenses. TCBY said G & A expenses rose mainly as a result of having more company-operated units.

As part of an effort to reduce expenses, TCBY began a restructuring and consolidation. For the last three months of the year, revenues fell 7 percent, to $25.1 million.

The company reported a quarterly loss of $1.4 million. In the like period a year ago, TCBY posted a $400,000 profit.

At the end of the year, the chain operated 1,850 units, of which 1,574 were franchised.

Hilton Hotels post 8% annual profit gain

BEVERLY HILLS, Calif. — Despite lower occupancy rates and flat room charges, Hilton Hotels said net income jumped 8 percent for the year ended Dec. 31, to $29.6 million.

Revenues fell 13 percent, $283.5 million.

Barron Hilton, chairman and president, said last year presented an assortment of adverse competitive circumstances.

"In addition to the Persian Gulf crisis, the continuing recession and an overbuilt industry have had a severe impact on our operations," Hilton said in a statement. "Occupancy levels were lower than in the prior year, and average room rates remained unchanged."

The hotel said one reason it ended the year with improved profit had to do with a decline in the company's effective corporate tax rate, which fell from 34.2 percent to 26 percent year-over-year.

WSMP paints out red with black in 3rd Q

CLAREMONT, N.C. — WSMP Inc., operators of the Western Steer Family Steakhouse chain, overcame a year-ago loss of $483,000, to post a $316,000 profit in the third quarter ended Nov. 1.

Revenues rose 12 percent, to $15.9 million.

The company has stated that the year-ago loss was related to the closing of 11 unprofitable restaurants and related tax charges of $256,000.

For the nine-months, year-to-date, WSMP posted net income of $502,000, compared with a year-ago loss of $1.1 million. Revenues were up 9 percent, to $47.1 million.

WSMP operates 29 of the 131 Western Steer Family Steakhouse chain. It also operates nine Prime Sirloin Steak & Seafood restaurants.

CS150-5

Nation's Restaurant News®

THE NEWSWEEKLY OF THE FOODSERVICE INDUSTRY

SECOND CLASS

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Budget cuts prompt schools to recruit contractors

by Robin Lee Allen

NEW YORK — Contract feeders are getting back to the elementary and heading toward the classroom as shrinking education budgets rewrite the ABCs of school foodservice.

Though school foodservice operations were once an exclusively self-operated segment, many are now up for bid as budget cuts force school boards to reduce expenditures without compromising education.

"Most states are having financial problems to one degree or another, and certainly this puts the Department of Education under scrutiny," said Chuck Bryden, vice president of sales and marketing for Canteen Corp. "It gives all of us the opportunity to serve a good meal at lower costs."

By hiring contractors, school boards free themselves of the management concerns and paper work for peripheral but necessary school services, like foodservice, busing and custodial operations. They also reduce labor and supply costs that drain educational funds and increase revenues if student participation in meal programs grows.

"As school administrations and boards have more and more pressure to improve education, they are looking for ways to sort of delegate or farm out their auxiliary functions," said Harold E. Schlenker, president of Marriott School Services. "It allows them to get it off their backs and spend more time on the task at hand, and that is educating the students."

While most school districts

(See SCHOOLS, page 81)

NRN Photo

Principal owner Jean Denoyer at the Supper Club.

Supper clubs make comeback in NYC

by Theresa Howard

NEW YORK — East Side, West Side, all around the town, restaurateurs here are singing the praises of live entertainment as a way of luring recession-weary customers into their operations.

Whether they're showcasing jazz, pop, swing or Broadway show tunes, operations like Tatou, Supper Club, Laura Belle and Country Club are finding that song and dance can be a great accompaniment to their dinner or late-night supper menus.

"With this economy, people need to go out and forget all the misery," said Alain Michel, general manager of Maxim's and L'Omnibus restaurants, which feature a five-piece dinner orchestra and cabaret, respectively. "People have to wake up, have fun and forget about their troubles."

(See SUPPER, page 81)

KFC to realign management, cut 250 jobs

Aims to streamline middle ranks, shift power to units after 4Q dive

by Peter O. Keegan

LOUISVILLE, Ky. — In an effort to cut overhead costs and improve operations after a disastrous fourth quarter and disappointing year, Kentucky Fried Chicken is planning on trimming its management payroll.

Final details of the downsizing are still pending, but a KFC spokesman said the company's management restructuring strategy will eliminate approximately 250 of the company's 1,500 management positions.

The layoffs and subsequent management consolidation, which will affect all levels of management at corporate headquarters and in the field, will take place sometime in March.

For the fourth quarter, KFC took a $34 million write-down for the restructuring. In a prepared release, PepsiCo stated that the charge would be used to streamline operations, including the elimination of certain positions, the relocating of personnel and the closing of offices.

KFC's fourth quarter and year-end reportings reflected dashed hopes of what a year ago looked like the beginning of a turnaround. For the fourth quarter, ended Dec. 28, profits declined 33 percent, excluding the write-down, on a 19-percent sales growth, to $570 million. Including the restructuring charge, profits fell $10.9 million, a 132-percent drop when compared with last year's gain of $34.3 million.

Full-year profits, excluding unusual charges, declined 6 percent on a 10-percent sales gain. For the year reported profits fell 37 percent. Same-store sales were flat for the year and down 7 percent for the quarter.

"The company said that it's been a weak fourth quarter, but basically they've gone over a cliff," said Robert Cummins, an analyst with Wertheim Schroder in New York. "KFC was more affected by the recession than other fast feeders because units are skewed toward blue-collar workers and minorities, who are victims of layoffs and a depressed economy."

In addition to saving much-needed money, the KFC cuts will reflect PepsiCo's ideology that mandates unit manager empowerment, which brings more hands-on management

(See KFC, page 4)

Investment group member named Boston Chicken prexy

by Peter O. Keegan

BOSTON — Following a partnership agreement that gave a group of Blockbuster video executives a piece of New Boston Chicken Inc. for an initial $4 million in cash, industry veteran Jeff Shearer has replaced Charles Cocotas as Boston Chicken president and chief operating officer.

Shearer, formerly a senior vice president of S & A Restaurant Corp., left an executive post at Blockbuster to join the investment group with eight other former colleagues to buy into the rotisserie-based chicken chain. The deal, which could lead to the investment group's control of the company, calls for the group to pump $23.5 million into Boston Chicken over the next three years.

Cocotas will be staying on for 18 months as a consultant.

In addition to Shearer, former Blockbuster senior vice president Saad Nadhir has been named vice chairman of the company. Founder George Naddaff remains chairman.

After an initial investment of $4 million, the group plans to infuse about $5 million every nine months, gaining more

(See BOSTON, page 80)

INSIDE

Doing it 'Dave's Way': The life of Wendy's founder
Book Digest/Page 31

Dessert wines: A sweet add-on to meals
Mort Hochstein/Page 34

Dangerous times demand beefed-up security
NRN Editorial/Page 33

Legislation takes center stage on COEX '92 agenda
COEX '92 Preview/Pages 37-42

THIS WEEK

NEWS

7 Food, wine lovers congregate at Refectory
7 Max launches exclusive nightclub Notté in Florida
48 Kyotaru vows to double RA's size by 1995
48 Ground Round rolls out test of Sunday brunch
50 Bob Evans' Cantina del Rio: No Gringo food allowed!
65 Caterair promotes Wittmann to director
68 Pepsi, Michael Jackson shake on 18-month deal

FOOD

11 Fabricant/Warm, gooey chocolate desserts heat up menus
11 Food News Digest
11 What's Hot in San Antonio

MARKETING

12 DQ touts 'taste' in new TV ad campaign
12 Marketing Digest
12 Ad Watch

FINANCIAL

14 McD posts 7% net gain, stops slide in U.S. sales
14 Food Price Outlook
14 Financial Digest
14 Fact File

COAST TO COAST

18 Birthday meal giveaway lights up Ernie's sales
18 Martin/Gorky's struggles; La Serenata, Wilhelm expand
18 Coast to Coast Briefs

SUPPLIER NEWS

54 Boston seafood confab puts focus on marketing
54 Pet restructures Orval Kent, Food Service organization
54 Supplier Digest

OPINION

33 NRN Editorial: Dangerous times demand more security
47 Talking with 'The Boss': Do it right
47 'Empowerment' alone just isn't enough

COEX '92 PREVIEW

37 Foodservice legislation takes center stage at COEX '92
38 What's hot in Orlando, Fla.
42 COEX '92 calendar of events

OPERATIONS

24 Patterson/Now may be the time to buy ahead
34 Hochstein/Dessert wines: A sweet add-on to meals

FEATURES

31 Book Digest
33 Letters
34 Side Dishes
34 Name of the Week
58 Product Showcase
62 Calendar of Events
71 Foodservice Mart
80 Subject Index
80 Advertiser Index

NRN DIRECTORY

For complete directory, see **page 33.**

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NEWS BRIEFS

Cash exits Marriott; Shaw named president of Service Group

WASHINGTON — Francis W. "Butch" Cash, president of the Marriott Service Group and an executive vice president of Marriott Corp., has resigned to pursue executive opportunities outside the company, a spokesman said.

Marriott chief financial officer William J. Shaw — an 18-year Marriott veteran — replaces Cash immediately.

Cash, who had been with the hospitality conglomerate for 18 years, oversaw Marriott Management Services, the company's non-commercial arm that included Host International, Travel Plazas and Senior Living Services. The group generated 1991 sales of $3.9 billion.

According to Marriott's communications vice president Terry Souers, Cash left to seek a position that encompassed "broader responsibilities."

Stephen Bollenbach, who most recently served as chief financial officer for the Trump Organization, will succeed Shaw.

In other news Irvine, Calif.-based Restaurant Enterprises Group Inc., owner of El Torito, Coco's, Casa Gallardo, Carrows, Reuben's and other chains, completed its $66 million buyout of Marriott Corp.'s 107 Bob's Big Boy and Allie's restaurants in California.

REGI president Norman N. Habermann said the acquired units, which scored 1991 sales exceeding $100 million, will be converted to the California-based Coco's and Carrows family-restaurant concepts over the next three years.

Bush health plan shuns 'play or pay' for tax credits

CLEVELAND — President Bush has unveiled his long awaited health-care reform plan. Bush said the plan, which is expected to cost $100 billion, would cut medical costs and guarantee access to care without resorting to the mandated "play or pay" insurance incentives that are feared by employers.

Described by the White House as a "free-market" alternative to proposed Democratic reforms, the Bush plan is based on a system of vouchers and tax credits that would provide up to $3,750 for the health insurance costs of poor or middle-income families and lesser amounts for higher incomes.

Bush offered no specifics about the full funding for his plan, which would cut federal Medicaid reimbursements by about $35 billion over five years.

Play or pay plans, favored by such Democratic candidates as Paul Tsongas and Gov. Bill Clinton, require employers to pay either for employee premiums or extra payroll taxes. Sen. Bob Kerrey, a restaurateur, favors scrapping Medicaid and Medicare for a Canadian-style national system fully funded by taxes.

Sizzler taps ex-ad man as new prexy, moves ad account

LOS ANGELES — Sizzler International Inc. has named J. Hugh Duncan, a land developer and former advertising agency president, as president and chief operating officer of its 635-unit domestic restaurant system.

Duncan, who was president of the Duncan Co. development firm and, before that, Foote, Cone & Belding/Los Angeles, reports to Sizzler chief executive Richard Bermingham and succeeds longtime Sizzler president Thomas Gregory, who announced his retirement last year.

In the same week the operator and franchisor of the Sizzler chain awarded its $30 million advertising account to Dailey & Associates, the Los Angeles agency founded by Peter H. Dailey, a newly elected Sizzler director.

Dailey, a Reagan appointee who served as ambassador to Ireland, severed his ties to the agency in 1988. BBDO/Los Angeles was formerly Sizzler's ad agency.

Ch. 11 judge sets Feb. 28 deadline for Copeland deal

AUSTIN, Texas — A bankruptcy court judge here has given Al Copeland Enterprises and its creditors until Feb. 28 to finalize a plan that is expected to oust founder Al Copeland and turn control of the chicken-chain franchisor over to Merrill Lynch & Co.

Copeland Enterprises, the owner of Popeyes and Church's, filed for Chapter 11 bankruptcy protection last April because of a $279 million debt from its 1989 Church's buyout. Since the filing Al Copeland, Merrill Lynch and a group led by the Canadian Imperial Bank of Commerce have been hammering out details of a tentative deal that would call for Copeland to relinquish ownership of the chain in exchange for $31 million.

Insiders say the deal has stalled over Copeland's bid to retain ownership of Diversified Foods and Seasonings, a company that netted $2 million last year from sales of spice, rice and other goods to the Copeland restaurants.

Nat'l Guard crash kills 16 at Jojo's, Drury Inn in Ind.

EVANSVILLE, Ind. — A Kentucky National Guard C-130 transport plane on a training flight crashed into the Jojo's restaurant and Drury Inn motel here, killing at least 16 people.

Among the dead were the plane's five crew members, nine people in the hotel and two Jojo's employees who were unable to flee with others before the fallen plane exploded, destroying the restaurant.

Drury Inn's senior managers were "on the scene and doing everything possible to help the guests who were at the hotel," spokeswoman Linda McCombs said following the late-morning crash on Feb. 6. She said the heavily damaged structure would be closed indefinitely for repairs.

Officials of Jojo's, a chain owned by Restaurant Enterprises Group in Irvine, Calif., said it expects to rebuild the coffee shop. Barry Krantz, president of the company's family-restaurant group, said crisis counselors were sent to meet with the surviving Jojo's employees.

Pizza Hut vice president quits, buys 31 units

NEW ORLEANS — Pizza Hut has sold 31 company-owned restaurants here to Larry Lundy, a vice president of the chain who has resigned to become a franchisee.

Lundy, formerly Pizza Hut's vice president of restaurant development, is estimated to have paid between $6 million and $12 million in cash for the restaurants, whose annual sales reportedly total $25 million.

Pizza Hut's deal with the newly formed Lundy Enterprises occurs at a time when the Wichita, Kan.-based chain is said to be pursuing the acquisition of a 200-unit franchisee in Texas. Pizza Hut recently bought out a 58-unit franchisee in Florida.

Coulter, Creative team to take Lone Star chain public

WICHITA, Kan. — Coulter Enterprises has teamed up with Creative Culinary Concepts, founder of the high-grossing Lone Star Steakhouse & Saloon restaurants, to form a new partnership that is taking the mid-scale chain public.

Dubbed Lone Star Steakhouse & Saloon Inc., the eight-unit company filed for an initial public offering of 1.15 million shares that are expected to fetch about $11.3 million.

Creative and Coulter will each retain about a 40-percent stake in Lone Star, a concept originated by Creative about six years ago under the name Chisolms. Coulter president Jamie Coulter, whose Wichita-based company became a four-unit Lone Star franchisee last year, will head the new company as chairman and chief executive.

Coulter, a leading Pizza Hut and Sonic franchisee, and Creative Culinary, based in Charlotte, N.C., will each merge four steak houses into the new company. Creative, independent of the new partnership, will continue to operate six other branches of the steak chain, whose average unit is said to gross $2.7 million a year from per-person checks averaging $17.50.

FINANCIAL NEWS

McD posts 7% net gain, stops slide in U.S. sales

by Alan Liddle

OAK BROOK, Ill. — After suffering a long decline in sales at domestic units, McDonald's managed to reverse the trend during the last quarter of 1991, pushing U.S. sales for the full year about 2 percent above the figure for 1990.

However, that improvement still lagged far behind the chain's gains overseas, where units enjoyed a collective 14-percent jump in intake.

That surge enabled McDonald's to eke out a 1-percent year-to-year rise in revenues for 1991, to $6.7 billion. Net profits grew by a more robust 7 percent, to $859.6 million.

Results for the fourth quarter indicate that McDonald's ended 1991 on the upswing. Revenues rose by 2 percent, to $1.73 billion, yielding an 8-percent improvement in net earnings, to $200.4 million.

Systemwide sales expanded by 7 percent, to $5.2 billion, for the quarter and by 6 percent, to $19.9 billion, for the year, the company disclosed.

Company officials attributed the systemwide-sales gains to expansion and higher sales at restaurants outside the United States.

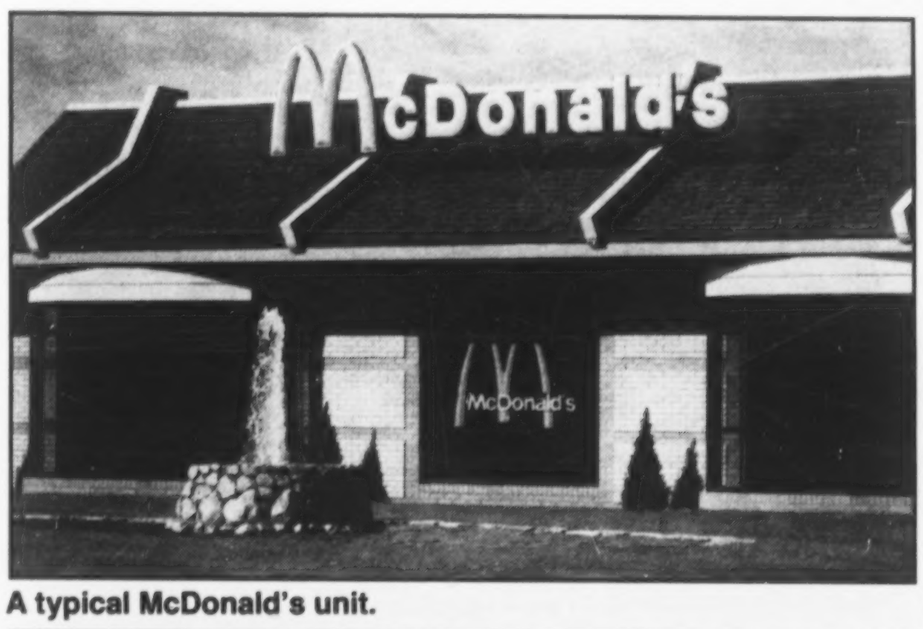
On the domestic front, where McDonald's has been weak for several quarters, higher sales and margins contributed to a 3-percent rise in operating income for the fourth quarter.

For the year, McDonald's said, U.S. operating income grew 1.4 percent, to $1 billion.

Analysts attributed the chain's strong domestic finish to McDonald's new emphasis on value.

"They have promoted a value menu, and I think they have succeeded in convincing most people that McDonald's does offer some lower-priced items," commented Michael Mueller, restaurant analyst for Montgomery Securities in San Francisco.

Mueller, who estimated the gain in same-store sales at 1.5 percent for the fourth quarter, also cited the addition of a chicken fajitas and a breakfast burrito.



A typical McDonald's unit.

> Company officials attributed the systemwide-sales gains to expansion and higher sales at restaurants outside the U.S.

"It helped improve the perception in consumers' minds that McDonald's isn't just a place to go for burgers and fries," the analyst remarked.

However, Mueller cautioned that it is too early to conclude that McDonald's has solved its domestic problems. The fourth-quarter upturn was "definitely aided by easy comparisons and lower food costs, the good weather in December, the timing of the holidays and the success of the Indiana Jones videotape promotion," he explained.

Joseph J. Doyle, managing partner at Smith Barney Inc., New York, agreed.

"To say that the weakness in the U.S. has ended would definitely be a premature statement," Doyle said. "I don't want to take potshots and explain away the quarter. On the other hand, I'm not jumping for joy. 'Encouraged' is probably the best way to describe my feelings."

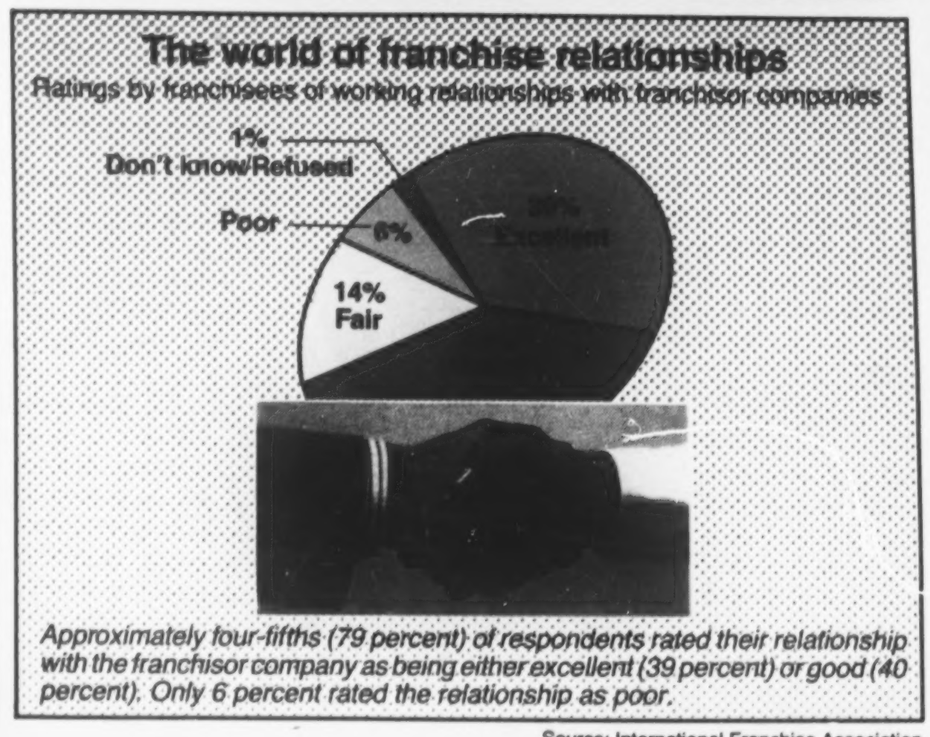
McDonald's noted that U.S. revenues were pared by the sale of company-run restaurants to franchisees. However, the wheeling and dealing aided profits, it said.

As a result of those sales, the number of company units in the United States shrank by a net of 186 units — or 11 percent — to 1,446 in 1991.

McDonald's, which sold 119 restaurants to franchisees in 1990, has said it wants to consolidate company operating areas and heighten profitability by increasing the percentage of

(See MCDONALD'S, page 79)

FACT FILE



Approximately four-fifths (79 percent) of respondents rated their relationship with the franchisor company as being either excellent (39 percent) or good (40 percent). Only 6 percent rated the relationship as poor.

Source: International Franchise Association

FINANCIAL DIGEST

Chart House net falls 32% in fiscal '91

SOLANA BEACH, Calif. — Chart House Enterprises said its annual net income for 1991 fell 32 percent, to $4.4 million, on a 5-percent gain in revenues, to $161.9 million.

The company said the recession and the Persian Gulf war stunted growth more than was expected. But chairman John Creed said that "the worst is over," if results from the fourth quarter of 1991 and the beginning of the new year are any indication.

For the September-through-December period, the company's net income rose 44 percent, to $502,000, on a 0.2-percent decline in revenues, to $37.6 million.

"Customers aren't rushing back to our restaurants, but we see signs of recovery in almost every market," Creed stated.

He indicated that fourth-quarter results were buoyed by easier comparisons from the figure for the year-ago period, when customers curtailed spending because of anxiety about the Gulf War.

Vie De France narrows losses in 2nd Q

MCLEAN, Va. — Vie De France said it lost $329,000 in the second quarter ended Dec. 14, on a 16-percent decline in revenues, to $8.6 million.

A year ago the company lost $6.3 million, some $4.5 million of that amount related to the closing of several underperforming restaurants.

The company attributed the current loss to its culinary division's sous-vide operations. The restaurant operations were profitable for the quarter and the six-month period.

For the six months Vie De France said it lost $739,137, on a 21- percent drop in revenues, to $16.3 million. A year ago the company reported a loss of more than $7.2 million.

Higher tax rate squeeze Daka's earnings

DANVERS, Mass. — DAKA International Inc., parent company of Fuddruckers and contract feeder daka Inc., reported a 33-percent drop in net earnings, to $1.06 million, for the second quarter ended Dec. 28, 1991.

Revenues for the quarter fell 4 percent, to $41.6 million.

A higher tax rate was largely to blame for the drop, said David N. Terhune, DAKA's chief financial officer. "The tax rate this year is approximately 10 [percentage] points higher," he said.

For the six months ended Dec. 28, net earnings fell less than 1 percent, to $1.8 million, and revenues dropped 4 percent, to $76.2 million.

In other company developments, stockholders recently approved a 1-for-10 reverse stock split of the company's common stock. Following the reverse split, DAKA will have about 3 million shares outstanding. The move will push up the stock price and make it more appealing to investors, Terhune said. The stock, traded on NASDAQ, will be listed as DKAId until late February.

Cooker's net income jumps 33%

COLUMBUS, Ohio — Citing the higher traffic generated by lower menu prices, Cooker Restaurant Corp. said its net income for the year ended Dec. 29 rose year-over-year by 33 percent, to $2.6 million.

Sales for the year increased 17 percent, to $39.5 million. Same-store sales grew by 1.5 percent.

Net earnings for the three months of the fourth quarter soared 55 percent, to $780,000, on a 20-percent hike in revenues, to $10.6 million.

Same-store sales during the quarter increased 3.4 percent with no menu price increase.

Cooker opened three new restaurants during the fourth quarter and plans four more for 1992. Currently, 15 restaurants are operating in Ohio, Tennessee, Indiana, Michigan and Kentucky.

FOOD PRICE OUTLOOK

Aid to Russia may boost food prices

If the federal government grants massive food aid to the Commonwealth of Independent States, formerly the U.S.S.R., prices here may take a sharp upward spiral. The supply of **wheat** is already tight.

Some $650 million in food aid, mostly for **grains**, has already been granted, and many expect further grants before summer. Increases in grain prices not only will hike **baked-goods** prices but also will affect the cost of **meat, poultry** and **eggs**, all of which depend upon feed grains.

Speaking of feed grains, the latest federal survey shows 6-percent fewer cattle are on feed lots than there were last year, but because of heavier average animal weights, that's more than the **beef** market can absorb readily. However, rather than see beef price drop, expect packing houses to cut back on purchase and slaughter to try to keep their margins up. Overall, beef prices probably will roller coaster a bit after the relatively stable market of the past few months.

Coffee futures are falling, based on the failure of the latest meeting of the International Coffee Organization to impose price supporting quotas. World production continues strong despite some drought problems in Brazil's coffee-growing areas.

Cash prices for **green coffee beans**, at their lowest level for years, are also trending downward. However, most roasters purchased adequate supplies before the winter coffee season, so drops in green- bean prices will be slow to show up in the price operators pay for roasted coffee.